

AGN. NO. _____

MOTION BY SUPERVISORS MICHAEL D. ANTONOVICH
AND ZEV YAROSLAVSKY

JUNE 23, 2003

DMH BUDGET DELIBERATION

The Department of Mental Health (DMH) has included curtailments of \$10 million in its Fiscal Year 2003-04 Proposed Budget due to the State's financial deficit. The County's proposed curtailment reduces County operated programs by \$5.41 million, and contract services providers by \$4.59 million.

DMH has identified \$4 million of unspent Sales Tax Realignment funds for Fiscal Year 2002-03. In addition, DMH identified one-time unspent County General Funds because of the Federal Medical Assistance Percentage (FMAP) increase for Federal Financial Participation (FFP) in the amount of \$3.44, and \$1.18 in Federal Substance Abuse and Mental Health Service Agency (SAMSHA) and Pathway To Alternative For Homeless (PATH) funds totaling \$4.63 million.

Notably, the State's SB 90 reimbursement process for AB 3632 school based mental health service contractors' cost remain

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inoperative due to the State's failure to make payments. This has resulted in unpaid SB 90 contractor bills for Fiscal Year 2000-01 of approximately \$4.8 million and another \$10.2 million for Fiscal Year 2001-02.

There is a need to preserve mental health service contractors funds to ensure that mental health patients have an adequate level of treatment, so this vulnerable population does not become part of our fragile health care or jail systems. Yet, it is necessary to reserve the \$4 million in unspent Sales Tax Realignment funds given the County's experience with State payments during the present economic State financial condition. There is no certainty that the State will pay the \$4 million within 12 months. The \$4 million needs deferring for Board action to mid Fiscal-Year 2003-04, or at least until the State finalizes its budget.

It is imperative that we freeze the County General Funds available through the FMAP and SAMSHA/PATH in the combined amount of \$4.63 million to reduce contract providers curtailment from \$4.59 million to \$2.5 millions, and show the County's good faith efforts to make a first time portion payment of \$2.13 million for SB 90 claims to contractors who have rendered AB 3632 services in Fiscal Years 2000/01 and 2001/02.

I, THEREFORE MOVE THAT THE Board of Supervisors direct the Chief Administrative Officer, the Auditor-Controller, and Director of Mental Health to freeze the County General Funds for

DMH BUDGET DELIBERATION

Page 3 of 3

FMAP-FFP and SAMSHA/PATH in the amount of \$4.63 million and redirect these funds to reduce curtailments for contract service providers to \$2.5 million, and make a portion payment of \$2.13 million for unpaid SB 90 claims for AB 3632 contractors services rendered in Fiscal Years 2000/01 and 2001/02.

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